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Tax Bulletin

Tax Bulletin 2-04

Effective Date: January 1, 2004

Re: 2004 Interest Rate

Interest Rate

The 2004 calendar-year simple interest rate applicable for taxes and fees administered by the Tax Commission shall decrease from 5 percent to 3 percent.

Interest Period

Interest shall be assessed on any underpayment, deficiency, or delinquency of taxes and fees administered by the Tax Commission from the date the original return is due, regardless of any valid filing or payment extensions, to the date the payment is received.

Except as provided for amended returns and letter requests for refunds, no interest shall be allowed on an overpayment if the overpayment is refunded within 90 days after the later of:

- the last date prescribed for filing the return,
- the date the return is filed, or
- the date of overpayment.

If an overpayment is not refunded within the later of the above-described periods, interest shall be calculated beginning on the 91st day after the commencement of that period.

If an overpayment is generated as a result of an amended return or a letter request for refund, interest shall accrue from the later of the date the original return was due or filed, to the date the amended return or letter request for refund is received by the Tax Commission. If the overpayment is not refunded within 90 days from the Tax Commission's receipt of the amended return or letter request for refund, additional interest shall be calculated beginning on the 91st day after the Tax Commission's receipt of the amended return or letter request for refund.

If a period of underpayment or overpayment spans more than one interest-rate period, interest shall be calculated based on the rate in effect for each interest-rate period the underpayment or overpayment spans. Interest for each interest-rate period shall be calculated for the number of days in the period, divided by 365, truncated to three decimal places and rounded to two decimal places. The total interest due shall be the sum of the interest amounts calculated for each interest-rate period.

For example, a tax return due on April 15, 2000 and paid on Feb. 15, 2004 shall be assessed interest at the rate of 7 percent from April 16, 2000 through Dec. 31, 2000, 8 percent from Jan. 1, 2001 through Dec. 31, 2001, 6 percent from Jan. 1, 2002 through Dec. 31, 2002, 5 percent from Jan. 1, 2003 through Dec. 31, 2003, and 3 percent from Jan. 1, 2004 through Feb. 15, 2004.

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Utah!
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Exceptions

The following taxes and fees administered by the Tax Commission are not subject to the rate and period calculations listed on this form:

- Title 59, Chapter 2, Property Tax Act — except fees related to the redemption of certain centrally assessed property seized by the commission pursuant to Section 59-2-1309
- Title 59, Chapter 3, Tax Equivalent Property Tax Act
- Title 59, Chapter 4, Privilege Tax
- Title 59, Chapter 13, Part 5, International Fuel Tax Agreement
- Title 41, Chapter 1a, Motor Vehicle Act
- Title 41, Chapter 3, Motor Vehicle Business Regulation Act

Pursuant to Utah law, interest is prohibited on refunds arising from a judicial decision declaring a statute to be invalid under state or federal law or unconstitutional under the constitutions of the United States or Utah.

For information on interest rates applicable to particular periods, taxpayers may request form TC-15, Applicable Interest Rates, by calling the Tax Commission at (801) 297-6700, or 1-800-662-4335, ext. 6700, if outside the Salt Lake City area.

QUESTIONS...



E-mail: taxmaster@utah.gov
Internet: tax.utah.gov
Phone: (801) 297-2200
Toll Free: 1-800-662-4335
TDD: (801) 297-2020

Changes in Utah laws or Tax Commission rules may supersede this Tax Bulletin.
For the most current guidance relating to state and local taxation, including local sales tax rates, visit the Tax Commission's Internet website at tax.utah.gov.